



J. TYLER McCaULEY
AUDITOR-CONTROLLER

**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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December 27, 2005

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley 
Auditor-Controller

SUBJECT: **CHILD AND FAMILY CENTER CONTRACT REVIEW**

We have completed a contract compliance review of Child and Family Center (Agency), a Department of Mental Health Services (DMH) service provider. The Auditor-Controller's Countywide Contract Monitoring Division conducted this review.

Background

DMH contracts with Child and Family Center, a private, non-profit, community-based organization, which provides services to children and their parent(s) in Service Planning Area number two. Services include interviewing program participants, assessing their mental health needs, and developing and implementing a treatment plan. Our review focused on the Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) program, which is Medi-Cal's comprehensive and preventive child health program for individuals under the age of 21. Child and Family Center's EPSDT billable services include Targeted Case Management Services (TCMS), Mental Health Services (MHS), Therapeutic Behavioral Services (TBS), and Medication Support Services. Child and Family Center's headquarters is located in the Fifth District.

For our review period, DMH paid Child and Family Center between \$1.66 and \$3.60 per minute of staff time (\$99.60 to \$216.00 per hour). For Fiscal Year 2004-05, DMH contracted with Child and Family Center to provide approximately \$4 million in EPSDT funded services.

Purpose/Methodology

The purpose of the review was to determine whether Child and Family Center provided the services outlined in their contract with the County. We also evaluated whether the Agency achieved planned service levels. Our monitoring visit included a review of a sample of Child and Family Center's billings, participant charts, and personnel and payroll records. We also interviewed staff from Child and Family Center and interviewed a sample of the participants' parents, guardians, or social worker.

Results of Review

Child and Family Center used qualified staff to perform the services billed, and the participants' parents or legal guardians interviewed stated the program services met their expectations. In addition, we did not identify any instances where the Agency over billed DMH.

The Agency did not sufficiently document 3,645 (69%) of the 7,659 service minutes sampled. For example, the Agency billed 2,785 minutes for more than one staff present during an intervention but the progress notes did not describe the specific contribution of each staff person and/or indicate the time spent by each staff, as required by the County contract. In addition, for two of five TBS cases reviewed, the Agency did not describe in the progress notes how staff assisted parents/caregivers with the skills and strategies necessary to provide continuity of care after TBS.

As of October 24, 2005, the DMH billing system reported that the Child and Family Center provided \$4.8 million in services for FY 2004-05. However, the Agency's internal billing system reported billings of \$6.2 million and could not explain the discrepancies between the two billing systems.

We have attached the details of our review, along with recommendations for corrective action.

Review of Report

We discussed the results of our review with Child and Family Center on November 3, 2005. In their attached response, Child and Family Center agreed with the findings and recommendations contained in the report.

We thank Child and Family Center management for their cooperation and assistance during this review. Please call me if you have any questions, or your staff may contact Don Chadwick at (626) 293-1102.

JTM:MMO:DC

Attachment

c: David E. Janssen, Chief Administrative Officer
Dr. Marvin J. Southard, Director, Department of Mental Health
Liz Seipel, CEO, Child and Family Center
Public Information Office
Audit Committee

**COUNTYWIDE CONTRACT MONITORING REVIEW
EARLY AND PERIODIC SCREENING, DIAGNOSTIC, AND TREATMENT PROGRAM
FISCAL YEAR 2004-2005
CHILD AND FAMILY CENTER**

BILLED SERVICES

Objective

Determine whether Child and Family Center (Agency) provided the services billed in accordance with their contract with DMH.

Verification

We selected 5,320 minutes from 133,097 service minutes that Child and Family Center billed DMH for July 2004 and reviewed the progress notes and Client Plans maintained in the clients' charts. The 5,320 minutes represent services provided to 31 program participants as reported by the Agency. At the start of our review in March 2005, the most current billing information available from DMH's billing system was June 2004.

Results

The Agency did not sufficiently document 3,645 (69%) of the 7,659 service minutes sampled in accordance with the County contract. Specifically, we noted the following:

- For 2,785 minutes sampled, the Agency billed for more than one staff present during an intervention but the progress notes did not describe the specific contribution of each staff person and/or the time spent by each staff providing the services.
- For 920 minutes sampled, the Agency billed for Mental Health Services but the progress notes did not describe what the client or service staff attempted and/or accomplished towards the client's goals.
- For 155 minutes sampled, the Agency billed for Therapeutic Behavioral Services but the progress notes did not describe what the client or service staff attempted and/or accomplished towards the client's goals, as required by the County contract.
- For 150 minutes sampled, the Agency billed for Targeted Case Management Services but the progress notes did not describe the type of placement, consultation, and/or linkage.
- For 75 minutes, the Agency billed for Medication Support Services but did not indicate the duration of service in the progress note.

The total number of insufficiently documented minutes cited above exceeded the number of insufficiently documented minutes reviewed because some of the progress notes contained more than one deficiency.

Therapeutic Behavioral Services (TBS)

TBS supplements other mental health services by addressing behaviors or symptoms caused by a stressful transition or life crisis. The service must include assisting the participants' caregivers with the skills and strategies necessary to provide continuity of care when TBS is discontinued.

The Agency appropriately developed TBS services plans for the five TBS clients that we selected. However, for two (40%) of the five TBS clients, the Agency's therapists did not document their assistance and training to the participants' caregivers.

Recommendations

Child and Family Center management:

1. **Maintain sufficient documentation to support its compliance with contract requirements.**
2. **Ensure that TBS staff document their assistance and training to the participants' caregivers.**

CLIENT VERIFICATION

Objectives

Determine whether the program participants actually received the services that Child and Family Center billed DMH.

Verification

We selected a sample of 10 program participants and interviewed their parents and guardians to confirm that the participants are clients of Child and Family Center and that they received the services that the Agency billed DMH.

Results

The parents or guardians interviewed stated that the participants were clients of Child and Family Center and were satisfied with the services that the Agency provided to the children.

Recommendation

There are no recommendations for this section.

STAFFING LEVELS

The objective of this section is to determine whether the Agency maintained the appropriate staffing ratios for Day Rehabilitation and Day Treatment programs.

We did not perform test work in this section. The Agency does not have a Day Rehabilitation or Day Treatment program.

STAFFING QUALIFICATIONS**Objective**

Determine whether Child and Family Center's treatment staff possessed the required qualifications to provide the services.

Verification

We reviewed the personnel files for 35 of 98 Child and Family Center treatment staff and reviewed documentation to support their qualifications.

Results

Each staff person possessed the required qualifications to deliver the services billed.

Recommendation

There are no recommendations for this section.

SERVICE LEVELS**Objective**

Determine whether Child and Family Center's reported service levels for Fiscal Year (FY) 2004-05 varied significantly from the service levels identified in the DMH contract.

Verification

We obtained a report of billings from DMH for FY 2004-05 and compared it with the Agency's total contracted level of service identified in the contract for the same period.

Results

Child and Family Center's budgeted service level amount for FY 2004-05 was \$6.1 million. As of October 24, 2005 the DMH billing system reported that the Child and Family Center provided \$4.8 million in services. The Agency's management indicated that its internal billing system reported billings of \$6.2 million and could not explain the discrepancies between their billing system and DMH's billing system.

Child and Family Center management needs to reconcile the amounts reported in their billing system to the amounts reported in the DMH billing system and resolve any billing discrepancies.

Recommendation

- 3. Child and Family Center Management reconcile the amounts reported in their billing system to the amounts reported in the DMH billing system and resolve any billing discrepancies.**



Child & Family Center

"Strengthening Families Through Counseling, Education and Support"

December 1, 2005

J. Tyler McCauley
Auditor-Controller
Los Angeles County Department of Auditor-Controller
1000 S. Fremont Avenue, Unit 51
Alhambra, CA 91803-4737

Dear Mr. McCauley,

I am writing in response to the results of your contract compliance review. I have reviewed the report and appreciate the opportunity to respond.

It is noted in the report that Child and Family Center did not adequately document 69% of 7,659 service minutes sampled. In reviewing the auditor's feedback, it is evident that there were primarily three areas of concern. Those being, failing to document the "specific" contribution of a secondary staff member, failing to adequately document what was attempted or accomplished toward the client's goals, and incompletely documenting the type of Targeted Case Management placement and/or linkage service provided. Although some of the areas of concern had already been corrected prior to the audit (though after the audit period of July 2004), Child and Family Center acknowledges the County's recommendations and has taken steps to correct the problems. The QA Director has provided two staff trainings and has implemented new policies regarding the minimum requirements for documenting mental health service delivery. Ongoing trainings will continue and internal auditing of progress notes will increase to ensure that staff fully complies with contract requirements. In addition, a new progress note format was adopted in an attempt to better document the services provided to clients.

It was also recommended that TBS staff improve their documentation of the assistance and training they provide to TBS participant's caregivers. While working with parents/caregivers is a fundamental component of all services provided at Child & Family Center, your recommendation to improve the manner in which these services are documented is recognized and accepted. The agency has taken corrective measures to ensure that staff has a better understanding of the type of information to include in their progress notes.

MAIN SITE

<input type="checkbox"/> 21545 Centre Pointe Parkway Santa Clarita, CA 91350 (661) 259-9439 • Fax (661) 259-9658	<input type="checkbox"/> 23504 Lyons Avenue, #204 Newhall, CA 91321 (661) 286-2550 • Fax (661) 286-2567	<input type="checkbox"/> 23502 Lyons Avenue, #304 Newhall, CA 91321 (661) 286-2562 • Fax (661) 222-7709	<input type="checkbox"/> 27225 Camp Plenty Road, Suite 1 Santa Clarita, CA 91351 (661) 250-8752 • Fax (661) 250-8755
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Visit our website at: www.childfamilycenter.org

Finally, the report noted that the Child and Family Center provided \$4.8 million in services for FY 2004-05, the agency's internal billing system reported billings of \$6.2 million, and the agency could not explain the discrepancies between the two billing systems. The Center has no reason to believe that the reported amount of billable services (\$6.2 million) is inaccurate. In fact, that amount is confirmed in part by a report received from the LACDMH Accounting Department on November 28, 2005. That report set the Center's "YTD Maximum Allowable for Reimbursement" for fiscal year 2004-2005 at \$5,808,639. The LACDMH Accounting Department must have used IS reports to arrive at that amount. With respect to the IS report that the Auditor-Controller Office used, it is our understanding that in some IS reports not all the stages of approval are included. In prior months, it has been discovered that a considerable amount of units of service were erroneously denied using the FIN ADJ code. Those units have been or are in the process of being reinstated in the IS system. The Center has been and will continue to closely monitor all IS reports to identify the areas of divergence and to resolve the issues associated with them.

Respectfully,

A handwritten signature in black ink, appearing to read "Liz Seipel". The signature is fluid and cursive, with the first name "Liz" and last name "Seipel" clearly distinguishable.

Liz Seipel
CEO